

PRACTICAL ASPECTS OF DIGITALISING THE FINANCE AND ACCOUNTING FUNCTION

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With the continuous evolution of technology, every industry and every organisation will have to digitalize itself in the next few years. In this webinar by ASA, Manuj Dua, Associate Director, Digital Automation and Transformation Services, and Vikas Wadhawan, Group CFO at REA India (Prop Tiger.com, Housing.com and Makaan.com) discussed the practical aspects of digitalising the finance and accounting function.

Manuj spoke about how technology, while all pervasive, doesn't necessarily change the job, but instead changes the way a specific job is done. For example, recurring pain points in the finance and accounts function like predicting liquidity, time taken to reconcile payables and receivables, adhering to multiple compliances, data confidentiality etc. can be eased with the use of technology. Automating process flows, identifying error patterns, integrating systems to create a single source of information, data analytics and analysis, root cause identification and identifying value drivers for building insights for better decision making are some of the ways that technology can help increase the efficiency of the finance team.

There are 3 key areas of digitalizing the finance function:

- **Automation and Robotics:** Use of cloud based and integrated tools, automated data entry and reconciliation and standardization of data sets,
- **Advanced Analytics and Visualisation:** Move towards predictive and prescriptive analytics with top-down assessments of business processes and scenario analysis for sales, working capital and inventory,
- **Compliance management:** Creating a risk map for regulatory and internal compliance requirements, ensuring completeness and correctness of regulatory filings and increased trust and reduced risk over regulatory requirements.

A few useful tips for any digitalisation exercise include **identification of the digital goals** along with the

expected benefits and timelines, a process champion for each business process undergoing digital transformation and **monitoring the impacts** of the technology deployed.

Vikas brought out the CFOs point of view and discussed the importance of planning the digitalisation journey. He emphasized that organisations need to be very clear why they need to adopt technology. Is it due to regulatory changes, like the implementation of GST where businesses were forced to implement digital tools to upgrade their internal finance function, or is it driven by the need for efficiency in terms of reduction of manpower, reducing the error rate, reaching out to your stakeholders more proactively? Once clear on the why, CFOs need to have very clear objectives and success metrics that are expected from the digitalisation process. Vikas detailed out critical aspects of the decision-making process including decisions around build vs. buy and cloud vs. on-premises solution. At the end of the day, there is no standard approach that could fit all organisations. Each organisation has to understand what it's own needs are and plan accordingly.

The approach towards the digitalisation process involves considerable project planning, monitoring, security, and data management. A pilot approach is an effective way to measure the effectiveness of the digitalisation as envisaged and provide a clear path. Security should be given due emphasis as part of the project implementation. Data management is an important aspect and must be looked at from all dimensions – retention, archival and regulations.

Executing the digital transformation requires focus on training, upskilling, and reskilling of the team. The CFO must drive the adoption through driving the change to achieve the desired outcome. A post implementation measurement of the results must be conducted to assess whether the desired outcome has been achieved. Digitalization is a continuous process and when implemented properly, generates a measurable return.